EVOLUTION OF TREASURY ROLE AND FUNCTIONS IN HUNGARY

ZSOLT TAVASZI VICE PRESIDENT, HUNGARIAN STATE TREASURY

TCOP THEMATIC DAY VIENNA 27.03.2025

Hungarian State Treasury

HUNGARIAN STATE TREASURY IN THE COMING YEARS

DEVELOPING CORE TREASURY FUNCTIONS:

1. INCREASING SCOPE OF TSA (LOCAL AUTHORITIES, EU FUNDS, FOREIGN CURRENCY)

2. DEVELOPING LIQUIDITY FORECAST (MODELLING)

3. RETAIL DEBT MANAGEMENT – BECOMES THE MAIN SALES CHANNEL, FOCUS ON ELECTRONIC PLATFORMS, REDUCTION OF STAFF IN REGIONAL OFFICES

THE GOVERNMENT GIVES NEW NON-CORE ROLES TO THE TREASURY:

1. PROCESSING PUBLIC EMPLOYEES PAYROLL *2001*

2. EU PAYMENT AND FUND MANAGEMENT *2012*

3. PENSION MANAGEMENT (TO BE INTEGRATED INTO THE TREASURY FROM THE PENSION FUND *2017*

4. NEW GOVERNMENT INITIATIVES REQUIRE FAST ADJUSTMENT IN FINANCIAL MANAGEMENT, SUPERVISION AND ACCOUNTING BY HST (FAMILY SUPPORT *2017*, HOUSING ASSISTANCE *2021* AND WORKERS LOANS *2025* PROGRAMS)

Hungarian State Treasury

IT SYSTEMS AND DATA WAREHOUSE IN PFM

STATE TREASURY'S WIDESCALE AND INCREASING RESPONSIBILITIES MEANT DIVERSE IT SYSTEMS WITH FRAGMANTED DATA: REQUIRED FOR IT INFRASTRUCTURE CONSOLIDATION

1. STATE TREASURY ACQUIRED SEVERAL NON-CORE TASKS MEANT ADDITIONAL NEW INSTITUTIONS

2. THAT SIMPY ADDED MORE STAFF AND MORE SEPARATED IT SYSTEMS SOMETIMES OUTDATED AS WELL

3. THERE ARE AT PRESENT ALMOST 300 IT SYSTEMS IN STATE TREASURY

4. A GENERAL IT PROJECT WAS INITIATED TO STREAMLINE AND DEVELOP SYSTEMS

5. BY 2022 CORE IT SYSTEMS WERE UPDATED THAN A NEW DATA WAREHOUSE ESTABLISHED

6. WITH THE NEW DATA WAREHOUSE STATE TREASURY CAN MAKE BETTER RIPORTING AND BETTER USE OF INFORMATION

7. THE ORGANISATION COULD BE BETTER ORGANISED AND A MORE EFFICIENT USE OF STAFF WILL BE POSSIBLE

Hungarian
State Treasury

WHAT ARE THE DIFFICULTIES WHEN DEVELOPING THE TREASURY SYSTEM?

CHALLENGES:

1. NEW FUNCTIONS SHOULD BE INTEGRATED INTO THE ORGANISATION TO MAKE IT MORE EFFICIENT
2. STATE TREASURY IS A LARGE INSTITUTION WITH A LARGE PORTFOLIO, CULTURAL CHANGES NEEDED WHEN USING IT IN THE NEW WAY
3. HR ISSUES, SOME MORE EDUCATED STAFF IS NEEDED – AND THEY ARE ALSO DIFFICULT TO KEEP
4. AS ALWAYS: TIME CONSTRAINT

RISKS:

1. NEW IT SYSTEMS MAY BE TARGET FOR ATTACKS, DATA VULNERABILITY ISSUES
2. REAL TIME DATA PROCESSING MEANS MORE DEMAND FROM MINISTRY – DELAYS ARE NOT ACCEPTED
3. RETAIL PROGRAM ALSO INVOLVES COMPLIANCE ISSUES
4. NEW TREASURY FUNCTION OF RISK MANAGEMENT OF BUDGET EXECUTION COULD BE ADDED

Hungarian
State Treasury

THANK YOU FOR YOUR ATTENTION

Hungarian
State Treasury